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# REPORT ON THE FIRST REGULAR SESSION NEW YORK, 15-18 FEBRUARY 1994

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# I. ORGANIZATION OF THE SESSION

1. In accordance with General Assembly resolution 48/162 of 20 December 1993, the Economic and Social Council on 4 February 1994 elected the following 36 members to the Executive Board of UNDP/UNFPA for a term expiring on 31 December of the year indicated:

African States: Cameroon (1994); Congo (1994); Gambia (1994); Lesotho (1994); Morocco (1996); Sierra Leone (1996); Somalia (1994); Sudan (1995).

Asian States: Bangladesh (1996); China (1994); India (1995); Pakistan (1996); Papua New Guinea (1994); Philippines (1994); Republic of Korea (1995).

Eastern European States: Bulgaria (1995); Poland (1996); Russian Federation (1995); Slovak Republic (1994).

Latin American and Caribbean States: Argentina (1995); Cuba (1994); Peru (1996); Trinidad and Tobago (1996); Uruguay (1995).

Western European and Other States. Belgium (1996); Canada (1994); Denmark (1996); France (1994); Germany (1994); Italy (1995); Japan (1996); New Zealand (1995); Norway (1994); Portugal (1996); United Kingdom (1995); United States of America (1995).

## A. Opening of the meeting

2. On 15 February 1994, the first meeting of the first regular session of the new Executive Board of UNDP/UNFPA was declared open by the last President of the Governing Council, Ambassador Rabah Hadid (Algeria). He congratulated all the newly elected 36 members of the Board and expressed the hope that member States not elected to the new Executive Board would be given the opportunity to remain in close contact with the work of the Programme and the Executive Board and be kept informed about all activities in which they had an interest.

3. Ambassador Hadid paid special tribute to the Associate Administrator of UNDP, Mr. Luis María Gómez, who had resigned effective 15 February 1994. He expressed profound admiration for Luis María Gómez's outstanding contributions to the United Nations system and UNDP in particular. Ambassador Hadid, as well as the following speakers, praised the Associate Administrator for his devotion, integrity, competence, efficiency, total commitment and loyalty, intelligence, experience and, not least, frankness and unfailing sense of humour.

4. A member proposed a decision as a tribute to the Associate Administrator and the Executive Board adopted by acclamation its first decision:

94/1. Expression of appreciation to Mr. Luis María Gómez, Associate Administrator of UNDP, 1990-1994

The Executive Board

Notes with regret that Mr. Luis María Gómez, Associate Administrator since 1990, is resigning and wishes to thank him most sincerely for the dedicated, highly effective and good humoured way in which he made an exceptional contribution to the work of the United Nations Development Programme. The Executive Board wishes him and his family every success in the future: Good luck Luis!

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## B. Election of the Bureau of the Executive Board

5. The Executive Board agreed to the following two proposals of the President:

(a) Until the transformation process has been completed and new rules of procedure have been adopted, the Executive Board would follow the rules of procedure of the former Governing Council in such cases where the provisions of General Assembly resolution 48/162 were not sufficient.

(b) The Executive Board would elect a Bureau consisting of a President and four Vice-Presidents with due account taken of the need to ensure equitable geographical representation. According to the previously established pattern of rotation of posts among the various regional groups, the President of the Executive Board for 1994 should be elected from among the Asian States that were members of the Board.

The Executive Board elected, by acclamation, the following Bureau for 1994:

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|---|---|
| President | H.E. Mr. Mohammad Hamid Ansari (India) |
| Vice-President | H.E. Mr. Valentin Dobrev (Bulgaria) |
| Vice-President | Mr. R. Carlos Sersale di Cerisano (Argentina) |
| Vice-President | Mr. Momodou Kebba Jallow (Gambia) |
| Vice-President | Ms. Elisabeth Jacobsen (Norway) |

6. The newly elected President of the Executive Board, Ambassador Ansari, expressed commitment to the establishment of a completely new set of ground rules for the future functioning of the Executive Board, based on General Assembly resolution 48/162, so that it would be functional as well as beneficial. The same commitment was expressed by the Administrator of UNDP and the Executive Director of UNFPA in their introductory remarks.

7. The Executive Director of UNFPA referred to the draft Programme of Action for the International Conference on Population and Development, scheduled to be

held in Cairo from 5 to 13 September 1994. The Conference would make its views known to the General Assembly regarding the need for a separate Executive Board for UNFPA. She also underlined UNFPA's flexibility concerning the allocation of agenda items among the annual session and the regular sessions of the Executive Board during 1994.

### C. Adoption of the agenda

8. The Executive Board adopted the following agenda for the session, as contained in document DP/1994/L.1:

Item 1. Opening of the meeting

Item 2. Election of the Bureau of the Executive Board

Item 3. Adoption of the agenda

Item 4. Organization of the work of the Executive Board

Item 5. HIV and Development: National Professional Officers

Item 6. Other matters

## II. ORGANIZATION OF THE WORK OF THE EXECUTIVE BOARD

9. The deliberations of this item fell into three parts: (a) questions relating to the meeting and work schedule for 1994; (b) working methods; (c) rules of procedure.

### A. Questions relating to the meeting and work schedule for 1994

#### Schedule of meetings

10. The Executive Board had a lengthy discussion of its meeting schedule, which included a discussion of venue of the annual meeting. The Board agreed to meet at Geneva for the 1994 annual meeting as previously decided by the Governing Council in its decision 93/45 of 17 June 1993. However, it was made clear that the decision to meet at Geneva related only to 1994 and that the decision was taken without prejudice for future discussions of the venue issue. The Board adopted the following decision:

94/2. Future sessions of the Executive Board

The Executive Board

Agrees to the following schedule of future meetings of the Board subject to the approval of the Committee on Conferences and, in case of the October meeting, of the General Assembly:

(a) A regular session from 10 to 13 May 1994 in New York;

(b) The annual session from 6 to 17 June 1994 at Geneva with UNDP subjects to be taken up during the first week of the session and subjects relating to UNFPA and United Nations technical cooperation activities to be taken up during the second week;

(c) A regular session of three days' duration beginning around 6 October 1994 in New York, immediately following the conclusion of the G-77 meeting;

(d) The first regular session 1995 from 10 to 13 January 1995 in New York.

16 and 18 February 1994

11. The Executive Board also agreed to have an informal briefing with participation of Resident Representatives on 18 March 1994.

## Division of labour between the annual sessions and the regular sessions

12. There was agreement on the following general guidelines for division of labour between the annual session and the regular sessions:

Annual session: Should feature mainly discussions on important issues and issues of wide interest, such as: annual report/address of the Administrator/Executive Director; issues related to resources (sixth cycle, Special Programme Resources); implementation of General Assembly resolution 47/199; topical issues as determined at regular sessions (such as the future of UNDP); United Nations technical cooperation activities; as appropriate, issues such as "New Agenda for Africa" and "Human Development Report";

Regular sessions: country programmes; budgetary and administrative matters; sectoral issues, such as HIV and Development; regional issues; humanitarian issues; monitoring and evaluation of the organizations's work and functioning; agency support costs; contribution to and follow-up of Conferences;

Both annual and regular sessions: new initiatives; implementation of Economic and Social Council decisions; environmental issues; Office for Project Services (OPS).

13. In accordance with these guidelines, the Executive Board agreed on a division of labour among the three sessions to be held in May, June and October 1994, respectively, and subjects to be discussed at each session. It was agreed that UNFPA subjects in 1994 should be discussed mainly at the annual session, taking into consideration the extensive preparations required for the International Conference on Population and Development, 5-13 September 1994.

14. The subjects to be discussed in May, June and October 1994 are listed in the annex.

Field visits 1994

15. The Executive Board agreed that the Bureau of the Board should decide on dates for field visits. The Board took note that the three visits considered in 1994 were the following:

Two visits from 25 April to 6 May: one to Philippines and Viet Nam, and the other to the West Bank, Gaza Strip and Jordan.

16. A third visit to take place in the latter part of August to two African countries would be considered.

B. Questions relating to working methods of the Executive Board

17. The President of the Board mentioned that the motivation behind the creation of the Executive Board was efficiency and practicality. The working methods of the Board should therefore be functional and businesslike. Flexibility was needed to determine future meeting and work schedules. There was general agreement that the number of regular sessions should be a function of the workload of the Executive Board in a given year.

18. There was agreement that new working methods were needed if the Board were to be able to cope with the many subjects on the agendas for May, June and October. References were made to the new spirit and new culture that had seemed to emerge during the session. Decisions were successfully adopted in new, simplified ways. Important practical steps were agreed on to change the working methods concerning records and documentation. The secretariat took note of concrete proposals and ideas presented. Representatives were encouraged to forward additional proposals on working methods in writing to the secretariat as soon as possible, so that a note could be prepared to enable a continuation of the discussion of working methods during the second regular session, 10-13 May 1994.

Records

19. The President drew the attention of the Executive Board to paragraph 3 of General Assembly resolution 48/222 B of 23 December 1993, in which the General Assembly "encourages all bodies currently entitled to written meeting records to review the need for such records, particularly verbatim records, and to communicate their recommendations to the General Assembly at its forty-ninth session". The Board adopted the following decision:

94/3. Summary records

The Executive Board

Decides to replace the summary records for the regular sessions of the Board with a report prepared by the secretariat, which will also contain the decisions taken by the Board. This report will be distributed to all

members of the Programme a few weeks after the session and will be approved at the following session of the Board.

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20. A decision concerning summary records for the annual sessions would not be taken before the 1994 annual session. A representative proposed that for future sessions efforts should be made to provide a draft report at the end of those sessions.

## Documentation

21. There was general agreement that the documentation provided for the Executive Board sessions should be brief, focused and issue-oriented. On this basis, the Board adopted the following decision:

94/4. Format of reports

The Executive Board

Decides that reports from the secretariat shall normally consist of no more than three pages and include sections identifying the objective of the report, means of implementation and the decision requested of the Board. Where unavoidable, additional information shall be provided in an annex or addendum to the report.

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## Meeting facilities

22. The Secretary of the Executive Board informed the Board that UNDP had been reviewing ways in which it could accommodate the Board within its present headquarters premises in order to comply with paragraph 21 of General Assembly resolution 48/162, annex I.

23. The allocation of 50 per cent of a floor in the DC-1 building for the Executive Board room would provide adequate meeting space for Board members, one support staff per member, observers, and members of the secretariat. However, a board room of this size in the DC-1 building, accommodating 80-100 persons, would have some limitations that should be considered. The view within the room would be obstructed by bearing pillars. Furthermore, irrespective of the room size, the ceiling height in the DC-1 building would require that smaller-than-standard translation booths be installed. Estimated costs for this first proposal were approximately $800,000. An estimated additional amount of $300,000 per annum would be required for renting space for organizational units that would be displaced. The figures provided were of a very preliminary nature.

24. The Executive Board was also informed that UNDP/UNFPA in New York were currently dispersed over five separate locations and that the Coordination

Committee on Common Premises, chaired by the United Nations Secretariat, had tentatively identified a building in the vicinity of the United Nations as a potential consolidated site for common premises to which all units of UNDP and its associated funds, UNFPA and parts of UNICEF could be relocated within two years. As a tentative provisional solution pending the move to a new building, the option of sharing joint Executive Board facilities with UNICEF was mentioned.

25. The Executive Board took into account the statement by the Secretary and the estimated costs presented. The Board would observe with great interest the deliberation in the UNICEF Executive Board the following week regarding the issue of meeting facilities. The question of future headquarters premises of UNDP and UNFPA would also have to be taken into account and a progress report on the matter should be provided at the next regular session.

### C. Rules of procedure of the Executive Board

26. The Executive Board had a preliminary discussion of rules of procedure. Some delegations pointed out that the rules of procedure of the Governing Council, which were not very detailed, had not been used very often. It was also pointed out that there was no urgency in the matter and that the Executive Board would gradually learn its own needs also in that respect. Delegations identified issues that needed careful consideration: the question of permanent committees or ad hoc committees; languages; observers; venue.

27. The secretariat took note of the various proposals made and delegations were encouraged to forward more proposals in writing to the secretariat. The Executive Board agreed that the matter should be taken up again both at the May session and at the June session. The secretariat was requested to prepare draft rules of procedure for a preliminary discussion in May.

## III. BUILDING A NEW UNDP: AGENDA FOR CHANGE

28. On 17 February 1994, the Administrator gave an extensive initial presentation of ideas and recommendations for strengthening and repositioning UNDP, entitled: "Building a new UNDP: Agenda for change". The statement of the Administrator was distributed.

29. Following the presentation, many delegations took the floor and broad support was given to the ideas and objectives the Administrator had outlined. Representatives expressed their satisfaction that a discussion of the future of UNDP had been launched in such a perceptive and thought-provoking manner and many looked forward to a full discussion of the subject at the 1994 annual session, when the comprehensive thoughts presented by the Administrator would have been better digested.

30. It was stated that the Administrator had provided a solid analysis, giving the right direction in which UNDP should move. The goals and the activities outlined were broadly considered to be right and consistent with the six areas

of focus identified in paragraph 7 of Governing Council decision 90/34 and other mandates previously given by the Council.

31. Representatives expressed agreement concerning the need for change, the need to be more substantive and the need for a stronger focus. It was important to define the three objectives so that they were mutually supportive. It was also important to benefit from the synergies possible among the various components of the United Nations system.

32. Some representatives said that they would welcome more information on how the broad strategies could be translated into detailed policies and programmes and how the mission and the goals identified could be operationalized. Other representatives addressed issues such as countries in transition, sustainable food security and priorities at the field level.

33. The President of the Executive Board said in his summing up that the Administrator had given a powerful presentation of his agenda for change. It had made a great impact and the ideas presented were generally welcomed by the Board.

## IV. HIV AND DEVELOPMENT: NATIONAL PROFESSIONAL OFFICERS

34. The Executive Board reviewed the approval in principle, given by the Governing Council in paragraph 23 of its decision 93/35 of 18 June 1993, of the establishment of a limited network of up to 22 National Officer posts to support the role of the Resident Coordinator/Resident Representative in the national response to the HIV/AIDS pandemic. In an oral introduction of the item, the secretariat gave additional information to that contained in the documentation provided (DP/1994/5).

35. A number of representatives expressed support for the establishment of the network of national professional officers as soon as possible. Some representatives added that they could support the immediate establishment of the network provided that the role of the national professional officers would be fully compatible with the proposed joint and co-sponsored United Nations programme on HIV/AIDS and that the decision on placement would be taken with the other proposed co-sponsors of the programme.

36. Other representatives expressed a preference for a decision at a later stage, when the Board would have more information on the joint and co-sponsored United Nations programme on HIV/AIDS and how the national professional officers would fit into it.

37. Informal consultations took place on the issue. Before the adoption of the decision, the Assistant Administrator and Director, BPPE, provided clarifications requested by some delegations:

(a) The decision before the Board was not in any way binding on delegations as to the actual outcome of the negotiations on a joint and co-sponsored United Nations programme on HIV/AIDS. It simply stated that a

joint co-sponsored programme was desirable and that the Board wanted its decision to be in conformity and consistent with such a programme;

(b) Assurances were given that UNDP would integrate its programme and that it would be complimentary to, and non-duplicative of, existing activities of other United Nations programmes.

38. The Executive Board adopted the following decision:

94/5. HIV and Development: National Professional Officers

The Executive Board

Authorizes the Administrator to complete the hiring of 22 National Officer posts as per Governing Council decision 93/35 on the condition that:

(a) The HIV/AIDS Inter-Agency Working Group reviews the terms of reference and proposed locations of these 22 positions and agrees in writing that they are consistent with a longer-term staffing strategy compatible with the establishment of a joint co-sponsored United Nations programme on HIV/AIDS;

(b) The contracts will be of a six-month duration only and will be reviewed by the Executive Board at its October 1994 session before further approval is given;

(c) The Administrator gives firm assurances to the Executive Board that any activity of the Programme now and in the future will be fully integrated with, complementary to, and non-duplicative of existing activities of other United Nations agencies in this field and fully compatible with a joint co-sponsored United Nations programme on HIV/AIDS;

(d) The United Nations Development Programme treat with urgency negotiation of a joint co-sponsored programme on HIV/AIDS and bring to the May regular session of the Executive Board further information on how it will integrate its activities in HIV/AIDS with such a programme so that the Executive Board can work towards a recommendation of a joint co-sponsored programme to the Economic and Social Council no later than July 1994.

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## V. OTHER MATTERS

39. Several members suggested that very informal consultations on the Office for Project Services should be initiated before the regular session in May 1994. It was agreed to leave it to interested delegations to arrange for such consultations.

Annex

## THE EXECUTIVE BOARD OF UNDP/UNFPA: CLUSTERING OF SUBJECTS AT FUTURE SESSIONS IN 1994

### I. CLUSTERING OF SUBJECTS AT THE SECOND REGULAR SESSION, 10-13 MAY 1994

#### ITEM 1: ORGANIZATIONAL MATTERS

| | |
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| Provisional agenda, annotations, list of documents and programme of work | DP/1994/L.2 |
| Report of the first regular session 1994 | DP/1994/2 |
| Draft rules of procedure | DP/1994/1 |
| Working methods of the Executive Board: Note by the secretariat | DP/1994/54 |

#### ITEM 2: OFFICE FOR PROJECT SERVICES

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|---|---|
| Steps taken to clarify the modalities for the transfer of the Office for Project Services: Report of the Secretary-General (93/46, para. 6) | DP/1994/27 |

#### ITEM 3: PROGRAMME-LEVEL ACTIVITIES AND SPECIAL PROGRAMMES OF ASSISTANCE

| | |
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| Humanitarian Programme (93/11, para. 9) | DP/1994/13 |
| Assistance to the Palestinian people (93/19, para. 5) | DP/1994/14 |
| HIV and Development | DP/1994/7 |

#### ITEM 4: MATTERS RELATING TO THE PROGRAMMING CYCLES

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| Request from the Government of Albania for "as if" LDC status (93/23, para. 1) | DP/1994/4 |

#### ITEM 5: COUNTRY PROGRAMMES, MID-TERM REVIEWS AND RELATED MATTERS

Country programmes

| | |
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| Fourth country programme for Albania | DP/CP/ALB/4 |
| Fifth country programme for Guyana | DP/CP/GUY/5 |

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| Fifth country programme for the Islamic Republic of Iran | DP/CP/IRA/5 |
| Sixth country programme for Kenya | DP/CP/KEN/6 |
| Fifth country programme for Madagascar | DP/CP/MAG/5 |
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| Assistance to Angola | DP/1994/8 |
| Assistance to Congo | DP/1994/21 |
| Assistance to Togo | DP/1994/42 |
| Assistance to Zaire | DP/1994/43 |
| Progress and results of UNDP efforts in Somalia | DP/1994/3 |
| Advancement of the fifth country programme for the United Republic of Tanzania (93/20, II) | DP/1994/15 |
| Impact of the overall enabling environment of the Sudan on the implementation of the fourth country programme (93/20, III) | DP/1994/16 |
| Assistance to the Union of Myanmar (93/21, paras. 4-5) | DP/1994/17 |
| Assistance to Cambodia | DP/1994/25 |
| Review of the fourth country programme for Equatorial Guinea | DP/1994/30 |
| Reports on field visits | DP/1994/CRP.1<br>DP/1994/CRP.2 |
| An overview on mid-term reviews | DP/1994/6 |
| An overview of mid-term reviews | DP/1994/41 |
| Mid-term review of the fifth country programme for Zambia | DP/1994/6/Add.1 |
| Mid-term review of the fourth country programme for India | DP/1994/6/Add.2 |
| Mid-term review of the fourth country programme for Indonesia | DP/1994/6/Add.3 |

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| Mid-term review of the fourth country programme for Cape Verde | DP/1994/41/Add.1 |
| Mid-term review of the third country programme for China | DP/1994/41/Add.2 |

ITEM 6: EVALUATION

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| Annual report on evaluation, including study on feedback of evaluation findings (93/26, para. 3) | DP/1994/24 |

ITEM 7: OTHER FUNDS AND PROGRAMMES

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| United Nations Volunteers (92/2, para. 5 (i) and 92/35, para. 12) | DP/1994/28 |
| United Nations International Short-Term Advisory Resources (92/2, para. 6) | DP/1994/31 |
| United Nations Fund for Science and Technology for Development, United Nations Revolving Fund for Natural Resources Exploration and Transfer of Knowledge through Expatriate Nationals (92/2, para. 6) | DP/1994/29 |
| United Nations Capital Development Fund: Options and modalities for mobilizing additional resources as well as ways and means for closer cooperation with other multilateral financing institutions (93/32, para. 4) | DP/1994/33 |

ITEM 8: OTHER MATTERS

## II. CLUSTERING OF SUBJECTS AT THE ANNUAL SESSION, 6-17 JUNE 1994

ITEM 1: ORGANIZATIONAL MATTERS

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| Report of the second regular session 1994 | DP/1994/9 |
| Draft rules of procedure | DP/1994/1 |

ITEM 2: ANNUAL REPORT OF THE ADMINISTRATOR AND RELATED MATTERS

Annual report of the Administrator for 1993:

| | |
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| Introduction | DP/1994/10 |

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|---|---|
| Main programme record | DP/1994/10/Add.1 |
| Statistical annex | DP/1994/10/Add.2 |
| Subcontracts awarded | DP/1994/10/Add.3 |
| Major equipment ordered | DP/1994/10/Add.4 |
| Reports of the Joint Inspection Unit of interest to UNDP | DP/1994/10/Add.5 |
| Progress report on measures taken and to be taken for the implementation of General Assembly resolution 47/199 (47/199, para. 51 and 93/16, para. 4) | DP/1994/22 |
| Environment and development (93/12, para. 8) | DP/1994/11 |
| Role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (93/17, para. 12) | DP/1994/12 |

## ITEM 3: FUTURE OF UNDP

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|---|---|
| Future of UNDP | DP/1994/39 a/ |

a/ To be issued following the Administrator's address.

## ITEM 4: MATTERS RELATING TO THE PROGRAMMING CYCLES

Mid-term review of (a) the programme planning aspects for the fifth programming cycle and (b) the resources available and the financial management of the fifth programming cycle (90/34, para. 1) — DP/1994/18

This will include:

- The level of the Operational Reserve (90/34, para. 16);
- The allocation for TSS-1 (91/32, para. 9);
- The issue of the regional indicative planning figure (91/30, para. 1); and
- Information on the implementation of decision 90/34, paras. 7-8 concerning capacity-building and capacity-strengthening in the six areas of focus (90/34, para. 9)

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|---|---|
| Information on any revised basic data relating to indicative planning figures for new recipients (93/22, para. 1) | |
| Review of the subcategories of the Special Programme Resources (91/54, para. 17) | DP/1994/19 |
| Issues relating to the sixth programming cycle (93/24) | DP/1994/20 |

ITEM 5: LOCATION OF UNDP/UNFPA HEADQUARTERS

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|---|---|
| Proposal concerning location of United Nations Development Programme and United Nations Population Fund headquarters (93/41, para. 5) | DP/1994/38 |

ITEM 6: UNFPA: ANNUAL REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-LEVEL ACTIVITIES

| | |
|---|---|
| UNFPA: Report of the Executive Director for 1993 | DP/1994/44 (I-III) |
| UNFPA: Work plan for 1995-1998 and request for programme expenditure authority | DP/1994/45 |
| UNFPA: Periodic report on evaluation activities | DP/1994/46 |
| UNFPA: Global Initiative on Contraceptive Requirements and Logistics Management Needs | DP/1994/47 |
| UNFPA: Update on the UNFPA Review and Assessment study | DP/1994/48 |
| UNFPA: Update on the UNFPA Review and Assessment study: Analysis and findings | DP/1994/48/Add.1 |
| UNFPA: Status of financial implementation of Governing Council-approved country programmes and projects | DP/1994/49 |

ITEM 7: UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS

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|---|---|
| Assistance to the Government of Chad | DP/FPA/CP/135 |
| Assistance to the Government of Zambia | DP/FPA/CP/136 |
| Interim report on UNFPA assistance to the Government of Equatorial Guinea | DP/1994/50 |
| Interim report on UNFPA assistance to the Government of Rwanda | DP/1994/51 |

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| Assistance to the Government of the Islamic Republic of Iran | DP/FPA/CP/137 |
| Assistance to the Government of Maldives | DP/FPA/CP/138 |
| Assistance to the Government of the Philippines | DP/FPA/CP/139 |
| Assistance to the Government of Nicaragua | DP/FPA/CP/140 |

ITEM 8: UNITED NATIONS TECHNICAL COOPERATION ACTIVITIES

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|---|---|
| Report of the Secretary-General on United Nations technical cooperation activities (93/30, para. 8) | DP/1994/26 |
| Information on the technical cooperation programme of the Department for Development Support and Management Services | DP/1994/26/Add.1 |
| Other entities and programmes which engage in technical cooperation activities | DP/1994/26/Add.2 |
| Statistical information for 1993 | DP/1994/26/Add.3 |

ITEM 9: OTHER MATTERS

## III. CLUSTERING OF SUBJECTS AT THE THIRD REGULAR SESSION TENTATIVELY SCHEDULED FOR 6-10 OCTOBER 1994

ITEM 1: ORGANIZATIONAL MATTERS

| | |
|---|---|
| Provisional agenda, annotations, list of documents and programme of work | DP/1994/L. |
| Report of the 1994 annual session | DP/1994/55 |

ITEM 2: AGENCY SUPPORT COSTS

| | |
|---|---|
| Agency support costs (91/32, in particular para. 33, and 93/25, paras. 9 and 11). This will include the review of the functioning of the new agency support costs system (90/26, para. 22 and 91/32, para. 34); in accordance with 91/34, para. 4 as well as 93/6, para. 2, the sectoral support programme will be reviewed in this context. | DP/1994/23 |

## ITEM 3: COUNTRY PROGRAMMES AND RELATED MATTERS

Country programmes

| | |
|---|---|
| Second country programme for Aruba | DP/CP/ARU/2 |
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| Fifth country programme for Barbados | DP/CP/BAR/5 |
| Third country programme for the British Virgin Islands | DP/CP/BVI/3 |
| First country programme for the Czech Republic | DP/CP/CEH/1 |
| Third country programme for the Netherlands Antilles | DP/CP/NAN/3 |
| Fourth country programme for Suriname | DP/CP/SUR/4 |
| Fifth country programme for Trinidad and Tobago | DP/CP/TRI/5 |

Notes by the Administrator

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| The former Yugoslav Republic of Macedonia | DP/1994/57 |
| Slovenia | DP/1994/58 |

## ITEM 4: OTHER FUNDS AND PROGRAMMES

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| United Nations Sudano-Sahelian Office (93/33, paras. 5 and 7) | DP/1994/32 |

## ITEM 5: UNDP FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

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|---|---|
| Annual review of the financial situation, 1993, and an ex-post facto report on support costs (92/36, para. 6) | DP/1994/34 |
| Net flow of contributions by donor and recipient Governments | DP/1994/34/Add.1 |
| Summary financial information on all trust funds established by the Administrator since 1981 | DP/1994/34/Add.2 |
| Trust funds established by the Administrator in 1993 | DP/1994/34/Add.3 |
| Revised budget estimates for the 1994-1995 biennium, including the following: | DP/1994/35 |

(a) The experience gained with regard to elaborating the regional service centre concept (93/35, II, para. 9);

(b) Implementation of paragraphs 15 and 16 of decision 93/35, II (93/35, II, para. 17);

(c) A comprehensive report on experience gained with the piloting of short-term, non-permanent contracts, including consultations held with the International Civil Service Commission (93/35, II, para. 30 and 92/37, para. 13).

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| Report of ACABQ on the revised budget estimates for the biennium 1994-1995 | DP/1994/36 |
| HIV and Development National Professional Officers | DP/1994/59 |

ITEM 6: UNFPA FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

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|---|---|
| UNFPA: Annual financial review, 1993 | DP/1994/52 |
| UNFPA: Audit reports | DP/1994/53 |

ITEM 7: FOLLOW-UP TO THE INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT

Follow-up to the International Conference on Population and Development

ITEM 8: OTHER MATTERS

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UNITED NATIONS

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# COUNTRY PROGRAMMES, MID-TERM REVIEWS AND RELATED MATTERS

## Progress and results of UNDP efforts in Somalia

## Report of the Administrator

### I. PURPOSE

1. The present report is submitted in accordance with paragraph 4 of Governing Council decision 94/4 of 8 February 1994.

### II. INTRODUCTION

2. Given the absence of a national government in Somalia, the United Nations Development Programme (UNDP) has followed a two-pronged approach: (a) focusing on the regions to support community-based, small-scale programmes, emphasizing capacity-building and human development and (b) working closely with the humanitarian programme of the United Nations Operation in Somalia (UNOSOM) to support reconstruction and rehabilitation coordination efforts and to develop a medium-term rehabilitation plan for Somalia with the World Bank.

### A. Community-based programmes

3. Through strategically placed Project Implementation Offices (PIOs), the Somalia Rehabilitation Programme (SOM/92/001) assists selected communities in articulating their rehabilitation and development needs and priorities as well as in formulating and implementing integrated sub-projects. The sub-projects aim at rebuilding infrastructure, rehabilitating health, sanitation and education facilities, and increasing the capacity of local authorities to manage the development process and collect revenue.

4. Programme activities started in northern Somalia in December 1992 and since then PIOs have been established in Boroma (with a sub-office in Gabiley), Buaro and Sosasso. In southern Somalia, activities started in early 1993 with a contribution of $800,000 made to the non-governmental organization (NGO) Save the Children for agricultural rehabilitation and sanitation in the Lower Shabelle region. With co-financing from the United States Agency for International Development (USAID), and UNDP component restored irrigation of 21,000 hectares of good quality agricultural land.

5. In early 1994, a PIO opened in Baidoa in the Central Region. A coordination unit also opened in Mogadishu. Further PIOs will open during 1994 in the Central Region and in Gedo. Currently, more than 90 sub-projects, totalling approximately $7.6 million, are under implementation by the PIOs operating in close coordination with other bilaterally supported projects.

6. The fisheries infrastructure in Somalia has been destroyed as a result of strife. While major capital investment will be required to redevelop the fishing industry, UNDP has committed itself, in cooperation with the Food and Agriculture Organization of the United Nations (FAO) to providing assistance to selected fishing cooperatives, emphasizing capacity-building for income-generation.

## B. Demobilization

7. As a result of preliminary studies done in 1993, a Zimbabwean team of experts was fielded in December 1993 to strengthen the demobilization and reintegration planning capacities of local communities in the North-West. UNDP is also exploring, in consultation with UNOSOM, possibilities for developing a similar programme for the North-East Region. Considerable donor resources will be required for the full demobilization programme.

## C. Planning and coordination

8. A project was approved in February 1993 to prepare the Medium-term Reconstruction and Rehabilitation Plan for Somalia (SOM/93/001). UNDP has been working very closely with other United Nations specialized agencies, with the UNOSOM Humanitarian Division and with the World Bank, in the informal donor meetings held during 1993 as well as in a multidonor task force.

9. In response to a demand from the Somalia Aid-Coordinating Body constituted by the donor community, the Secretary-General requested UNDP in March 1994 to take over responsibility for the United Nations Development Office. The Development Office will continue to evolve as an embryonic planning and coordination entity for Somalia in order to become part of the future government administration; it will exist initially as a UNDP-funded project.

## D. Restoration of services

10. In 1990, a project (SOM/90/023 - Emergency Assistance to Displaced Persons and Refugees) was designed for rapid sectoral response to urgent humanitarian needs, mostly through cost-sharing by interested donors. A United States Government grant of $1,392,552 provided air transport services through the project to NGOs and United Nations specialized agencies until April 1993.

11. A separate project component supports city-wide water supply in Mogadishu. Safe water now reaches more than half the city's population, major hospitals and feeding centres, and most UNOSOM military and civilian installations. In addition, successful city-wide garbage collection efforts undertaken by local NGOs in the first half of 1993 with USAID financial support, are now continuing through food-for-work schemes organized by the World Food Programme (WFP) and the Cooperative for American Relief Everywhere (CARE).

12. The International Civil Aviation Organization (ICAO) has been executing, since April 1993, a project (SOM/93/002 - Rehabilitation of Civil Aviation Services) that aims at re-establishing minimum standards for safe civil aviation. A new flight-information centre opened in early 1994 and a new permanent control tower was installed with UNOSOM assistance. While Mogadishu airport remains under UNOSOM management, handing over control of Mogadishu airport to Somali management is the ultimate objective.

13. A UNDP project (SOM/93/003 - Rehabilitation of Somali Ports Management), executed by the United Nations Conference on Trade and Development (UNCTAD), aims to build management capacities of Somalis. With WFP funding, a contractor for port operations was fielded in November 1993. Currently, non-UNOSOM commercial traffic is steadily rising as the economy starts recovering; national staff are being retrained to assume responsibility; private sector services are being re-established; and a new fee structure is providing a basis for sustainability.

14. Since early 1994, a second team has been operating Kismayo Port in the south. The review of the needs of other ports for facilities rehabilitation and equipment replacement is under way. A central unit for ports has opened within UNOSOM as a nucleus for future ports and the transport ministry. A programme document emphasizing the investment and technical cooperation needs of the four major ports of Somalia will soon be submitted to donors.

## E. Urban settlements and management

15. The initial phase of the Urban Settlements and Management Programme (SOM/94/003), to be executed by the United Nations Centre for Human Settlements (UNCHS/Habitat), was approved in April 1994 with a budget of $590,000. The programme emphasizes participatory approaches and capacity-building of local authorities as well as the physical reconstruction of shelter and public facilities in selected urban areas throughout Somalia.

16. The first-phase project will provide assistance to the municipality of Hargeisa, based on the report of a joint Habitat/UNDP mission to Hargeisa in

September 1993. The programme also provides for a number of situation analysis/needs assessment missions to other key urban areas of Somalia, including Mogadishu, when the situation permits.

17. While UNDP funds will be utilized primarily for capacity-building, additional donor funding will be sought for the Hargeisa and, eventually, for the Mogadishu programmes.

### F. Programmes planned for the future

18. The expansion of the UNDP programme will take into account the criteria established at the Fourth Coordination Meeting on Humanitarian Assistance to Somalia, whereby security, maintenance of law and order, and the creation of representative and accountable institutional structures are essential for rehabilitation and reconstruction efforts. In addition, it is planned to launch a national volunteer programme involving about 500 Somali professionals and specialists under UNDP auspices.

### G. Financial status

19. The indicative planning figure (IPF) for Somalia for the fifth programming cycle is $59.98 million, of which only 70 per cent, or $41.99 million, is available for programming. In addition, $5.53 million has been carried over from the fourth cycle. Thus, total fifth cycle programmable resources are $47.52 million.

## III. EXECUTIVE BOARD ACTION

20. The Executive Board may wish to

Take note of the present report.

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MATTERS RELATING TO THE PROGRAMME CYCLES

Request from the Government of Albania for "as if" LDC Status

Report of the Administrator

## I. PURPOSE

1. The present report provides the additional information requested in Governing Council decision 93/23 and supplements the information provided by the Government of Albania (see annex). It is intended to assist the Executive Board in its consideration of "as if" least developed countries (LDC) status for Albania.

## II. JUSTIFICATION

2. The Government of Albania justifies its request for "as if" LDC status on the basis of the four formal criteria established by the Committee on Development: population, income, quality of life and potential for economic diversification. The application of these criteria in the case of Albania is outlined in the annex to the present document. Some members of the Governing Council had an opportunity to see at first hand the conditions in Albania in August 1993, when a group from the Standing Committee for Programme Matters visited the country as part of the 1993 review of UNDP operations in the Europe and Commonwealth of Independent States region.

3. To avoid a mechanistic or rigid interpretation of the four formal criteria, the Committee on Development Planning has established that complementary criteria can be taken into account and that they should be applied flexibly. This recommendation allows for the consideration of additional special indicators in determining a country's claim to "as if" LDC status that more accurately reflect the structural and dynamic characteristics of the existing situation in a country. In this regard, it is important to note that Albania is

at present having to face greater human hardship and fragility than is reflected in the numbers provided in the annex. For example:

(a) In the agricultural sector, where most of the population live and make their living, most of the holdings - often scattered among two or three plots - have proven to be too small to produce enough to feed a family. In addition, the commercial agricultural sector has suffered from wide fluctuations in production and quality from year to year because of the low level of technology and the concomitant sensitivity of productive capabilities to abnormal climatic occurrences;

(b) The country's energy supply is heavily dependent on hydroelectric power, which is very variable, especially as a result of frequent breakdowns and down time. This lack of reliability makes it difficult to fulfil contracts for the export of electric power to neighbouring countries;

(c) Virtually all of the country's infrastructure is in a deplorable state of neglect and therefore requires costly repairs or replacement;

(d) The export of minerals has in the past provided the country with 20 per cent of its foreign exchange earnings; however, owing to price volatility and the difficulties of finding the capital to maintain productivity, this sector cannot be relied on to sustain the inflow of foreign exchange;

(e) There is a need for a significant quantitative and qualitative increase in education and training programmes to upgrade the skills of those of working age and those in schools and universities, especially with regard to the application of the available current information technologies, without which the rate of increase in the productivity of Albanian workers can be expected to remain low.

4. From the information provided in the annex, it is clear that Albania meets two of the four criteria for LDC status (population and income). In addition, the weight of the supplementary criteria should constitute an important factor in considering a justification for granting Albania "as if" LDC status. The Government of Albania has requested that the eligibility criteria for this classification be interpreted in a manner that gives due weight to the exceptional factors of Albania's current and immediate future circumstances of severe poverty and the extreme difficulties and dangers of the transition from a centrally planned to a market economy, and from an authoritarian regime to a democratic society.

5. The expectation of the Government is that the Albanian people will be able to benefit - on a temporary and exceptional basis - from this special programme of aid directly to those countries classified as LDCs. They believe that the General Assembly, in adopting resolution 2564 of 13 December 1969, created the LDC category in order to permit low-income countries with special problems to benefit from exceptional measures. A great deal is at stake in assuring the successful navigation of the difficult and dangerous passage to the status of a normal developing country. It is with this in mind that the Government has decided to apply for "as if" LDC status.

## III. EXECUTIVE BOAPD ACTION

6. Should the Executive Board agree to the request from the Government of Albania, it may also wish to authorize the Administrator to allocate an additional $1.6 million to the fifth cycle indicative planning figure (IPF) resources for Albania.

Annex

REQUEST FROM THE GOVERNMENT OF ALBANIA FOR "AS IF" LDC STATUS

I. INTRODUCTION

1. Albania is a small country in the Balkan region with a population of 3.3 million, two thirds of whom live in rural areas and with half engaged directly in the agricultural sector. It is also the poorest country in Europe with a 1992 per capita income most recently calculated by the World Bank at $290, with a similar figure projected for 1993 (according to the World Bank Atlas methodology, as illustrated in the World Bank President's Report for a Technical Assistance Project which includes a Country Assistance Strategy (WB P6058/Alb, August, 1993). Albania is in the early phase of its emergence from a 45-year period under a despotic, autarkic, command economy system that left it with a stagnant economy and a population caught in a trap of low productivity. Indications of its break from international isolation were signalled in 1991, when Albania became a member of the World Bank and the International Monetary Fund (IMF) and of the European Conference on Security and Cooperation. After the 1992 election, the new democratic Government initiated an ambitious programme to build a new market economy, with massive foreign assistance, including the international financial institutions, the G-24 and the European Community. It must be stressed that because of Albania's very weak external position in the wake of the collapse of the centrally planned, autarkic system, the country will need access to concessional aid over the foreseeable future in order to turn around the economy. While such assistance has been available initially, it is now a major challenge to the international community to provide assistance, beyond food and humanitarian aid, in support of programmes that have been designed to deepen structural reforms, provide infrastructure and strengthen the social safety net.

The difficult transition to a market economy and a democratic society

2. The rapid and complete collapse of the previous system in the last years of the 1980s was characterized by a demoralizing and debilitating paralysis of the political, economic, financial, administrative and social structures of the country. Until wide-ranging systemic changes could be achieved to set the economy on a sufficiently productive path, there was an immediate need for massive food aid from the international community in order to avoid famine, epidemics and rioting. Widespread malnutrition still prevails and over half of the labour force is still unable to find productive employment. Among the youth, unemployment is estimated as high as 60 per cent. The combination of these factors has contributed to a situation that is fragile and volatile with a great potential for mass violence and civil disobedience. It is expected that it will take several years before the Albanian economy is growing rapidly and equitably enough to ensure social and political stability.

3. The election of March 1992 brought a democratic government to power that quickly embarked on a negotiated stabilization and restructuring programme that has been underpinned by an IMF Stand-by Arrangement. This has involved constitutional change and the adoption of new laws on commerce, industry,

employment, private property, investment, agricultural land reform and taxes. However, the implementation phase has been proving extremely difficult owing to the shortage of qualified personnel, the lack of financial resources and the stresses associated with the process of restructuring. Despite this, the IMF Stand-by Arrangement has produced remarkably good results; for example, monthly inflation came down from 10-15 per cent in 1992 to less than 2 per cent on average in 1993; reserves rose from zero to manageable levels; and the exchange rate has been stable for the past 12 months. All of the targets of the IMF Stand-by Arrangement have so far been met. None the less, Albania's future stability still depends on further painful economic measures, such as cut-backs in subsidies and the curtailment of social expenditure programmes to make them more cost-effective so that fiscal consolidation can be achieved. These tasks, however, could not be carried out without the continued support of the international community.

4. The economic, social and financial situation has recently suffered an additional setback from the adverse impact on Albania of the Security Council's sanctions against Serbia and Montenegro and the increased regional tension and instability in Kosovo and the former Yugoslav Republic of Macedonia. This has resulted in strained relations with Greece, further exacerbating the stress. The most direct impact has been the return from Greece of more than 20,000 Albanians that have to be fed, housed and integrated into an economy stretched to the breaking point.

5. In the urban areas there are further causes of political discontent and unrest arising from:

(a) Expectations of improvements in the inadequate system of water and electricity supply that have not materialized;

(b) Growing unemployment amounting to over 300,000 jobless persons resulting from the slowness of the recovery of industrial activity. Less than 20 per cent of the country's industrial productive capacity is operational because of the very limited domestic pool of capital and entrepreneurs and the lack of foreign investment that, in turn, is in large part attributable to an increasingly unstable economic and political situation. Foreign investment has also been affected by the very bad state of repair of infrastructure and its absence, so that basic services (electricity, telephone, fax, cable, water and sewage) are lacking or inadequate - again, areas where external assistance will be essential to create new conditions;

(c) Absence of effective programmes to alleviate poverty that is reaching crisis proportions (benefits from the Social Protection Scheme have dropped from an average of $18 per month to $5 per month) and the low expec ations that such programmes will be developed and implemented;

(d) Poor housing conditions, lack of funding for repairs, and new construction;

(e) Services in such essential areas as health and education have been affected by cut-backs in the budget that were necessary because of the poor

fiscal condition in the country - to redress the situation, Albania needs not only resources but also external assistance in order to modernize these programmes and make them more cost-effective.

## II. JUSTIFICATION

6. The situation in which the Albanian people find themselves can have a positive denouement if, in addition to the sacrifices and discipline of the Albanian people themselves, the international community continues to provide the necessary financial assistance and technical cooperation. The support provided by the specialized agencies of the United Nations system has proven indispensable in initiating the design and implementation of the programme of economic reform. However, in face of the magnitude and complexity of the task on which Albania has embarked, the assistance from both bilateral and multilateral sources needs to be adjusted to include more technical cooperation of a capacity-building nature (in addition to food and other forms of humanitarian aid) so as to increase Albania's absorptive capacity for all forms of aid. At present, the total volume of development assistance is much below levels required. The IPF amounts to only $6 million over the five-year period from 1992 to 1996, of which only 75 per cent has been released for programming. This would be supplemented by the special United Nations programmes that would become available under the "as if" LDC status, which provide both technical cooperation and capital assistance to the poorest countries and which would assist the Albanian people, who are grappling with an exceedingly difficult and dangerous developmental and transitional challenge.

7. The Committee on Development Planning recommends four formal criteria of eligibility for LDC status: population, income, quality of life and potential for economic diversification. With regard to these formal criteria, the situation of Albania is described below:

(a) Population. The criterion is that a country must have a population under 75 million. Albania meets this criterion;

(b) Income. The criterion is that the country's average per capita income be less than $600 for the period 1986-1988. The gross national product (GNP) figures for Albania during those years are unreliable and not comparable to those based on current United Nations methodology for computing national accounts. Thus, figures for the average per capita income prior to 1990 are not considered accurate although they were used to calculate the 1992-1996 IPF. They were used because the standard procedure for calculating IPFs does not allow for exceptions. Currently, Albania's average per capita income according to the World Bank is $250 (see para. 1);

(c) Quality of life. The criterion requires a value of 47 or less on the augmented physical quality of life index (APQLI), which is composed of four variables: (a) expectation of life at birth; (b) level of literacy; (c) rate of school attendance, for both primary and secondary levels; and (d) the average caloric intake per person per year. A closer look at these elements of the situation reveals the following:

(i) Life expectancy. On the basis of data from the 1989 census, the expectation of life at birth was 72.2 years in 1990, 69.3 years for men and 75.4 years for women. However, Albania is struggling to preserve these life expectancy levels as it copes with the decline in incomes and with a decline in nutrition. The health situation has also deteriorated: almost all primary care facilities and hospitals have ceased to function properly as a result of the lack of preventative maintenance, basic equipment is missing and drug production and distribution are at a near standstill. At the same time, the network of hospitals far exceeds Albania's maintenance capacity and ability to provide efficient service;

(ii) Literacy and (iii) School attendance. Albania boasted a 99 per cent enrolment of the relevant age group in the primary school system during the period 1986-1990. This percentage drops off dramatically at the secondary level to about 64 per cent. Less than 8 per cent of the population over the age of 10 were classified as illiterate in 1989. However, these figures are considered deceptive given the tendency of the previous regime to exaggerate achievements. In any case, it is estimated that since 1991 there has been a sharp decline of well over 10 per cent in educational attendance at all levels. Damaged school buildings and the obsolete curricula are also contributing factors; given the extremely tight fiscal situation over the medium term, they can be tackled only with substantive external assistance, providing both capital for rehabilitation of physical installations and technical cooperation for improved management, new curricula and new textbooks. This is particularly true for education in rural areas, where standards are reported to have been deteriorating over a longer period of time and where many parents prefer to have their children tend to agricultural and domestic chores. When new literacy levels are determined, they will undoubtedly reflect this deterioration in the educational system;

(iv) Nutrition. Prior to 1990, government statistical records show Albania's average daily consumption per capita to be above 3,000 calories. A calorie study carried out by the Food and Agriculture Organization of the United Nations (FAO) in 1991 showed consumption closer to 2,600 calories per person. This latter level of daily per capita intake (likely to be more accurate) is only slightly above that of the average in LDCs and lower than the average of the developing countries (see the United Nations Children's Fund (UNICEF) report entitled, The State of the World's Children, 1993, p. 71);

(d) Diversification. The Economic Diversification Index (EDI) is comprised of four variables: (a) the proportion of the population engaged in industry; (b) the proportion of manufacturing in GDP; (c) per capita consumption of electricity; and (d) the level of exports. Because of autarkic policies, Albania developed its industrial sector beyond that characteristic of a typical developing country, with industry accounting in 1990 for about 40 per cent of the country's total output and employing over 20 per cent of the nation's work force, according to statistics available at the time. Since then, the contribution of manufacturing in terms of both output and employment has fallen

sharply. Industry's share in GDP came down to around 10 per cent by the end of 1993, reflecting the collapse of the inefficient, centrally planned, State-owned enterprise sector in 1991-1993. Some further points should also be noted: (a) at the peak of industry's share, in GDP, some 200,000 of the 33 per cent unemployed in the country were in industry/mining; (b) massive industrial restructuring, downsizing and privatization is imperative to scale back inefficient production, reduce the lingering fiscal burden of budget support to inviable enterprises, and to encourage efficient production in areas where the country's comparative advantage offers new, competitive opportunities. The preliminary estimate of the EDI index for Albania is 37.7. This is above the maximum of 22 set by the Committee on Development Planning; however, given the conceptual difficulties and formidable task of making this estimate for the years involved, not much reliance can be placed on this estimate either as an order of magnitude or as precisely as a decimal point would suggest. This figure, however, has dropped significantly since 1990, that is, after the collapse of the previous system and the subsequent introduction of the reform programme.

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